## **Introduced by Senator Perata**

February 24, 2006

An act to amend Section 385.5 of the vehicle Code, relating to vehicles. An act to add Section 7104.1 to the Revenue and Taxation Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1719, as amended, Perata. <del>Low-speed vehicle: definition.</del> *Transportation Investment Fund.* 

Existing law specifies the allocation of funds in the Transportation Investment Fund, derived from a portion of the sales tax on gasoline, to various transportation projects and programs. Article XIX B of the California Constitution requires, commencing with the 2003–04 fiscal year, that sales taxes on motor vehicle fuel that are deposited into the General Fund be transferred to the Transportation Investment Fund for allocation for those transportation purposes until the end of the 2007–08 fiscal year. Thereafter, Article XIX B requires these revenues to be allocated to broad categories of transportation purposes, including 20% for programs funded by the Public Transportation Account, 40% for transportation capital improvement projects in the State Transportation Improvement Program, and 40% for apportionment to cities and counties pursuant to certain formulas for road maintenance and construction purposes.

This bill would continue the Transportation Investment Fund in existence and would specify the use of revenues deposited in that fund from gasoline sales tax revenues subject to Article XIX B beginning in the 2008–09 fiscal year.

SB 1719 -2-

Under existing law, for purposes of the Vehicle Code, a low-speed vehicle" is defined as a motor vehicle, other than a motor truck, having 4 wheels on the ground an unladen weight of 1800 pounds or less, that is capable of propelling itself at a minimum speed of 20 miles per hour and a maximum speed of 25 miles per hour, on a paved level surface.

This bill would define "low-speed vehicle" as having the same meaning as that term is defined under a federal regulation.

Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7104.1 is added to the Revenue and 2 Taxation Code, to read:
- 3 7104.1. (a) The Transportation Investment Fund (hereafter the fund) in the State Treasury is hereby continued in existence.
- 5 All revenues transferred to the fund pursuant to Article XIX B of
- 6 the California Constitution beginning with the 2008–09 fiscal 7 year shall be available for expenditure as provided in this
- year shall be available for expenditure as provided in this section, subject to appropriation by the Legislature.
  - (b) All of the following shall occur on a quarterly basis:
- 10 (1) The State Board of Equalization, in consultation with the 11 Department of Finance, shall estimate the amount that is
  - Department of Finance, shall estimate the amount that is transferred to the General Fund under subdivision (b) of Section
- transferred to the General Fund under subdivision (b) of Section 13 7102 that is attributable to revenue collected for the sale,
- 14 storage, use, or other consumption in this state of motor vehicle
- 15 fuel, as defined in Section 7304.

19

20 21

- 16 (2) The State Board of Equalization shall inform the 17 Controller, in writing, of the amount estimated under paragraph 18 (1).
  - (3) Commencing with the 2008–09 fiscal year, the Controller shall transfer the amount estimated under paragraph (1) from the General Fund to the fund.
- 22 (c) For each quarter, commencing with the 2008–09 fiscal 23 year, the Controller shall make all of the following transfers and 24 apportionments from the fund:
- 25 (1) To the Public Transportation Account, a trust fund in the 26 State Transportation Fund, 20 percent of the revenues deposited 27 in the fund.

-3- SB 1719

(2) To the Department of Transportation for expenditure for transportation capital improvement projects subject to all of the rules governing the State Transportation Improvement Program, 40 percent of the revenues deposited in the fund.

- (3) To the Controller for apportionment pursuant to paragraphs (A) and (B), 40 percent of the revenues deposited in the fund.
- (A) Of the amount available under this paragraph, 50 percent shall be apportioned by the Controller to the counties, including a city and county, in accordance with the following formulas:
- (i) Seventy-five percent of the funds payable under this subparagraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.
- (ii) Twenty-five percent of the funds payable under this subparagraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this subparagraph, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.
- (B) Of the amount available under this paragraph, 50 percent shall be apportioned by the Controller to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.
- (d) Funds received under subparagraph (A) or (B) of paragraph (3) of subdivision (c) shall be deposited as follows in order to avoid the commingling of those funds with other local funds:
- (1) In the case of a city, into the city account that is designated for the receipt of state funds allocated for transportation purposes.
  - (2) In the case of a county, into the county road fund.
- (3) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for transportation purposes.
- (e) Funds allocated to a city, county, or city and county under subparagraph (A) or (B) of paragraph (3) of subdivision (c) shall

SB 1719 —4—

be used only for street and highway maintenance, rehabilitation,
reconstruction, and storm damage repair. For purposes of this
section, the following terms have the following meanings:

- (1) "Maintenance" means either or both of the following:
- 5 (A) Patching.

- (B) Overlay and sealing.
- (2) "Reconstruction" includes any overlay, sealing, or widening of the roadway, if the widening is necessary to bring the roadway width to the desirable minimum width consistent with the geometric design criteria of the department for 3R (reconstruction, resurfacing, and rehabilitation) projects that are not on a freeway, but does not include widening for the purpose of increasing the traffic capacity of a street or highway.
- (3) "Storm damage repair" is repair or reconstruction of local streets and highways and related drainage improvements that have been damaged due to winter storms and flooding, and construction of drainage improvements to mitigate future roadway flooding and damage problems, in those jurisdictions that have been declared disaster areas by the President of the United States, where the costs of those repairs are ineligible for emergency funding with Federal Emergency Relief (ER) funds or Federal Emergency Management Administration (FEMA) funds.
- (f) For the purpose of allocating funds under subparagraph (A) or (B) of paragraph (3) of subdivision (c) to counties, cities, and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 2008, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3 of the Revenue and Taxation Code.
- 32 SECTION 1. Section 385.5 of the Vehicle Code is amended to read:
- 34 385.5. A "low-speed vehicle" has the same meaning as that 35 term is defined in Section 571.3 of Title 49 of the Code of 36 Federal Regulations. For the purposes of this section, a 37 "low-speed vehicle" is not a golf cart, except when operated

\_5\_ SB 1719

- pursuant to Section 21115 or 21115.1. A "low-speed vehicle" is also known as a "neighborhood electric vehicle."